

BEFORE

THE PUBLIC SERVICE COMMISSION OF

SOUTH CAROLINA

DOCKET NO. 93-474-E - ORDER NO. 95-1755✓

DECEMBER 21, 1995

IN RE: Request of Duke Power Company for)	ORDER
Approval of Experimental Rate)	APPROVING
Schedule HP-X(SC) (Hourly Pricing)	REVISIONS
for Incremental Load).)	

This matter comes before the Public Service Commission of South Carolina (the Commission) on the October 31, 1995, request of Duke Power Company (Duke or the Company) for revisions to its pilot program HP-X. Duke proposes to establish Schedule HP(SC) to replace pilot program HP-X. With this request, Duke proposes to cancel the "pilot" nature of the rate offering, limit the availability to contracts of 1,000 KW or more, and expand availability of the rate to seventy-five (75) customers on Duke's system. Duke states that converting the rate from a pilot to a more permanent offering provides more stability and will enable customers to more effectively plan for future production and be better able to respond to hourly pricing signals. Duke states its belief that limiting the number and size of customers eligible is prudent and should accommodate customers who wish to participate for the immediate future, while providing some measure of protection for unforeseen load and revenue impacts. Under Duke's proposal, customers presently served on Schedule HP-X would be

allowed to continue service under Schedule HP if they so desire.

Under Duke's plan, two other changes in pricing are proposed. Under the proposed schedule, transmission rationing charges will apply all year. According to Duke, the pilot demonstrated that rationing charges are appropriate at times during the year other than the summer months. The second change involves allowing credits below the baseline. Currently, hourly prices are applied only to energy consumed above the baseline. This limits the usefulness of the rate to customers who anticipate load growth, according to Duke. Duke proposes to apply hourly prices to reduction in energy below the baseline, as well as above the baseline, in an effort to encourage efficient consumption for both existing load and new load.

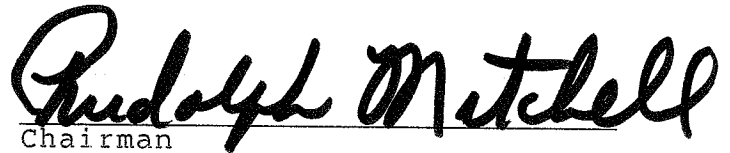
Other wording changes have been made to achieve clarity and appear to be necessary to administer the rate as described above.

The Commission has examined this matter. Pursuant to S. C. Code Ann. §58-27-870(F), the Commission may allow rates or tariffs to be put into effect without notice and hearing upon Order of the Commission when such rates or tariffs do not require the determination of the entire rate structure and overall rate of return, or when the rates or tariffs do not result in any rate increase to the electrical utility, or when the rates or tariffs are for experimental purposes.... The Commission finds all three conditions are met in the present case, and believes that the rate may be put into effect without notice or hearing under the statute. The Commission therefore approves the revisions as

filed, effective January 1, 1996. The Company shall file ten (10) copies of the tariff with the Commission reflecting the changes within ten (10) days of the date of receipt of this Order.

This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director

(SEAL)